

# **EXHIBIT 1**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

IN RE: DEALER MANAGEMENT SYSTEMS  
ANTITRUST LITIGATION

) MDL No. 2817  
) Case No. 1:18-CV-00864  
)  
)  
)  
) Hon. Robert M. Dow, Jr.  
) Magistrate Judge Jeffrey T. Gilbert  
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)

**DOMINION DECLARATION IN SUPPORT OF OPPOSITION**  
**TO MOTION TO COMPEL**

I, Alan Andreu, declare and state as follows:

1. I am the General Manager of Equity and Vice President of Product Management at Dominion Dealer Solutions (“Dominion”), a subsidiary of Dominion Enterprises (“DE”) where I have worked since 2011.
2. Dominion is a privately held company that provides car dealers with software solutions. Outside of the automotive space, DE provides a variety of software solutions for apartments and homes, power sports vehicles, recreational vehicles, travel, and direct marketing industries.
3. Dominion has approximately 900 automotive-related employees. Annual automotive-related revenues are about \$100 million. Dominion lost money in 2017.

### **Dominion's Involvement in the Litigation**

4. Dominion is a third party in this litigation. I testified in the preliminary injunction hearing on June 27, 2017 in response to a subpoena from Authenticom.
5. After reviewing the transcript of my testimony to double check, I can confirm that, contrary to the statement in R&R's brief, I did not testify about a conspiracy between

R&R and CDK that led to higher prices. The only agreement between R&R and CDK to which I testified was an agreement that R&R would not block CDK's integration product, DMI, for a period of time. This agreement actually gave Dominion lower prices for that period than would otherwise have been the case via R&R integration.

6. Dominion received a subpoena in this litigation from R&R on December 7, 2017, which requests highly confidential and sensitive materials.
7. Dominion offers a DMS that competes with R&R and CDK. It also offers several applications that compete with R&R and CDK. R&R and CDK have put themselves in a position where Dominion is dependent on R&R and CDK for the car dealer data that is necessary for Dominion applications to function. If Dominion's response to R&R's subpoena is improperly used, it could result in R&R or CDK denying Dominion the dealer data its applications need, endangering the viability of the Dominion businesses that compete with CDK and R&R.

#### **Dominion's DMS and Applications**

8. R&R and CDK provide dealer management systems ("DMSs") to the overwhelming majority of franchised car dealers, including the overwhelming majority of Dominion's customers.
9. Dominion offers a DMS that competes with R&R's and CDK's DMS. Dominion's DMS has a very small market share, serving about 275 franchise customers, most of which have a single rooftop.
10. Dealers use many applications in addition to the DMS to keep their business running. Most of these applications cannot function without receiving the data stored in the DMS. Dominion has a suite of these applications that it provides to car dealers. Customers use

these applications to achieve additional functionality for their businesses that the DMS cannot perform, or does not perform to their liking.

11. The applications that Dominion offers include:

- a. DealActivator, an equity-mining solution that allows a dealership to create customer outreach campaigns for targeted customer groups;
- b. Prime Response, an application that helps a dealership manage its online presence and reputation;
- c. Sales Center, a CRM application that serves as the hub for a dealership's customer interaction;
- d. Web Control, a web-based internet prospect lead tracking and distribution system;
- e. Inventory, an application suite that allows a dealership to manage its stocking and online vehicle marketing; and
- f. Digital Marketing and AutoRevenue, applications that help a dealership craft custom email and direct mail campaigns.

12. Virtually all of these applications compete with products offered by R&R and CDK. For example, CDK offers a CRM called CDK CRM and R&R offers a CRM solution called Contact Management.

### **Car Dealer Data Access Through Integration**

13. Access to data is critical for all of Dominion's applications to function. Applications take the dealer's data and analyze it or otherwise manipulate the data to generate the value-added services described above.

14. Traditionally, "integrators" supplied dealer data to Dominion applications. Integrators pulled the data from the DMS and usually cleaned, standardized, and enhanced the data

before sending it to the application provider. Historically, Dominion used Authenticom or SelectQu, its own integrator, to access data. Dominion and the integrators it used only accessed data after getting a dealer's authorization.

15. R&R and CDK also offer integration services. Today, R&R offers the Reynolds Certified Interface ("RCI"). It also allows dealers to initiate manual downloads of data that can be shared with application providers, referred to as "Dynamic Reporting." CDK offers integration through 3PA and DMI, though it is apparently phasing out DMI. CDK has made clear to Dominion that it would not endorse a dealer-initiated download process similar to Dynamic Reporting (described further below).

16. Because of the actions of R&R and CDK that are set forth in my testimony at the preliminary injunction hearing in this matter, Dominion is now dependent on R&R and CDK for the data it used to obtain through in-house and third party integrators and Dominion's costs for obtaining the dealers' data is ten to twenty times what it was before.

17. Our dependency on R&R and CDK can be illustrated by one run in with R&R. R&R's contract prevents Dominion from disclosing the price of integration to dealers. In 2012, R&R forced Dominion to pay R&R a \$75,000 fine for allegedly breaching its contract by disclosing to dealers the cost of R&R's integration. We had no choice but to pay. We needed access to our customers' data and R&R would have cut Dominion off if we did not pay the fine.

**CDK and R&R Actions Are Already Taking a Toll on Dominion's Applications Business**

18. Dominion has discontinued its product, Service Scheduler, which assisted dealers in managing their service appointments. The price that Dominion was paying R&R for integration to get access to dealer data was more than Dominion's selling price.

19. Dominion's SelectQu is also on the verge of being put out of business because R&R and CDK are technologically blocking third party integrators from accessing the dealer's data in their respective DMS.
20. Last year SelectQu lost money, a situation, which is only expected to get worse as the number of potential customers dwindles. Dominion will not be able to justify supporting the product much longer.
21. CDK also used its negotiating leverage over Dominion in a recent round of negotiations to demand access to Dominion's CRM roadmap. CDK is a CRM competitor and it is simply unheard of for a competitor to demand such sensitive business information. But Dominion had to provide that roadmap because, if we didn't, CDK would not certify Dominion's use of CDK's 3PA integration for its CRM. Only after CDK was comfortable with the development arc for the product did CDK agree to allow Dominion to complete the certification process. Given the questions CDK asked us about our CRM, my surmise is that CDK wanted to make sure that our CRM would not threaten its DMS dominance.
22. Dominion is not the only company that has had to shut down an application as a result of R&R's and CDK's conduct. For example, SIS used to be an integrator, competing with R&R and CDK. However, SIS no longer offers integration services. And Authenticom has only a fraction of the business that it once enjoyed.

**Dominion's Business Depends on Business Relationships with R&R and CDK**

23. As described above, Dominion's applications need access to dealer data to survive, and R&R and CDK have made themselves the only viable method of accessing that data.

24. Because they each represent such a significant percentage of the market, if either R&R or CDK decided that it would no longer permit Dominion access to dealers' data), it would put Dominion out of business.

25. As both a competitor and heavily dependent customer of R&R and CDK, Dominion is in a very uncomfortable position because Dominion is entirely reliant on R&R and CDK to run its business. Dominion is very concerned that the use or disclosure of Dominion's confidential data in an inappropriate context could lead to the failure of Dominion's business.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 3, 2018.

A handwritten signature in black ink, appearing to read "Alan Andreu", is written over a horizontal line.

Alan Andreu